

Mariner's Pointe Interval Owner's Association, Inc.

Termination and Dissolution or Continuation Referendum

(Revised: 4/8/2016)

Questions that have been asked:

Each individual unit owner has unique ownership interest. You are advised to consult with your own legal counsel.

At the present time, the initial vote which is a guidance vote to the Directors has not been completed. The information we can provide to you is subject to change given new information or developments which sometimes change by the day. What is presented is based on the information we have at the present time.

1) Why is MPIOA in this predicament?

There are a number of factors that have created this situation. As you are aware, the Board has closely monitored the financial status of the Association for a number of years. If you attended the annual meetings, the viability of the Association has been discussed.

In 2015, the number of units for sustainable operations were at a minimum. When the dues notices for 2016 were responded to, there was a substantial reduction in supporting members. This forced the Directors to explore the possibility of either a termination or a substantial assessment of the association's members.

2) Why did the Board determine to take this action?

The Board has a fiduciary obligation to protect the assets of Association members. The present vote is to advise the members of the circumstances and to get a feel for the attitude and preferences of its members.

3) Why can't Management be more specific regarding expense and potential revenue?

Management believes it has been specific with the financials of the organization. Management cannot control the number of members who choose to participate in paying dues.

Further, while there is no debt on the premises, the Association's asset's true value will not be known until there is a sale in the event of a dissolution.

4) How can we keep the Association alive?

On the Ballot, Question #1, place a mark in the 'NO' box. This will tell the Board you are prepared to commit to the Association to continue paying whatever the cost may be to operate.

If the response of the majority is to continue, the Board will take appropriate action to generate sufficient revenue to complete repairs and continue operations.

5) If I don't respond to the Ballot, what happens to my account and deed?

If you do not respond, nothing happens to your account. You have just failed to participate in assisting the Directors in making their difficult decision.

6) How soon will MPR be sold?

First, the Board will consider the results of the informational vote. It may very well be that the votes are in favor of the continuation of operations.

If the vote is to explore termination, conclusion would most likely occur later in 2016, or depending upon unpredictable circumstances currently unknown, possibly early 2017.

7) Will I be able to use my week at Mariner's Pointe Resort in 2016?

Based upon the 2016 response to the annual billing (**a projected loss of 500 accounts from 2015 to 2016, a 43.2% loss due to attrition**), it appears without an additional assessment, operations will cease around **May 27, 2016**. If your week is prior to that date, you may use your week, unless there are significant unexpected expenses which would force a closure, the unavailability of staff, or other unforeseen circumstances.

8) Will RCI let me exchange the Mariner's Pointe week I've already deposited for an exchange?

Since interval weeks beyond Interval #21 are not likely to be available for occupancy, RCI and II must freeze deposits for exchange, as well as available inventory for inbounds which occur after check-out day of Interval #21, May 27th, 2016. RCI must prevent future deposits and confirmations which would begin beyond that date, unless your deposit is based on a week which occurs prior to that date. They have been prompted for a response to our request for this information. Hopefully, their decision regarding owner deposits already in their system will be communicated soon. Certainly, this question will be addressed as soon as we can receive a definitive and appropriate response.

9) What about the 2016 maintenance fee I've already paid?

Every member is obligated to pay the 2016 maintenance fee and taxes. Those that do not pay, will be charged against any recovery for this fee.

10) If the Directors vote to proceed to terminate, and I wish to participate, what is my risk or my reward?

At the present time, this is difficult to determine. You will be responsible for your 2016 maintenance fee and taxes as well as any other fees you owe to the Association. If there are funds remaining after the sale, you would be entitled to a portion of the remaining funds, if any.

11) If I deed my property back to the Association, will I be entitled to receive any portion of the proceeds?

If you presently deed your property back to the Association, you will **not** be entitled to any of the remaining proceeds and will waive your right to any claim of proceeds.

12) If I decide to participate in the Termination process, is there a mortgage, debt or other encumbrances for which the Association is responsible?

No. The only Association debt is for routine monthly operating expenses, and typical payables to Universal Services Corporation.

13) If I participate with the Association in the Termination and Dissolution process, may I also use the amenities?

After the facility closes, no.

14) If I desire to continue ownership, is there a chance I could owe money if there is a sale?

The fact the Association has no debt helps the situation. The Directors, cannot however, guarantee there will not be a need for another assessment. Further, you will be responsible for all fees and dues you owe presently and in the past.

15) Can I just deed my ownership back to MPIOA and not participate in the Termination and Dissolution process?

Yes, however if you choose to terminate your interest and deed your unit back to the Association, **you will waive your right to a portion of the net proceeds**, if any.

16) If I deed my unit back and choose not to participate in the Termination and Dissolution process, will I owe the remaining balance on my account?

It is the desire of the Directors that any person deeding back a unit, will owe nothing beyond the recording fee of \$23.50. Should the Association be required to file a bankruptcy, there could be additional fees owing by those that deeded back.

17) What if my spouse and I have divorced during our time of ownership but a new deed showing who was granted the timeshare interest through the divorce proceedings hasn't been recorded yet?

If there is a decision to liquidate, both persons will be named defendants in the action.

18) What if my spouse and I divorced during our time of ownership, but we remain friendly and simply agree we will take turns with the use of the resort, but a new deed showing disposition through the divorce proceedings has not been recorded?

If there is a decision to liquidate, both could be considered co-owners since that is what is of record..

19) What if the ownership is in an Estate due to the death of one or both of the Grantees?

Each circumstance will be different. Legal counsel will address these matters.

20) Does the Association have the right to vote on all the shares they may own?

Yes.

21) Since most members of the Association will deed their units back to the Association, the MPIOA will have more weeks than owners, so the Board or Management must be in-line to receive the net proceeds, if there are any,... right?

No, Board Members are not compensated and Management is compensated by contract.

22) If I follow the money, where will the net proceeds go?

As explained in the March letter with the Ballot, there is no representation regarding the likelihood of net proceeds after expenses are paid. The nature of the expenses has also been explained. If there are net proceeds, you'll become aware of how they are handled. As an entitled member who chooses to participate in the process, you would also be a recipient if proceeds exist.

23) I'm confused by the Indemnity Waiver. It seems to me if the business is being run appropriately, there would be no need for this?

If you choose to deed your unit back, you agree to take no further action against the Board, Management, or those related to the termination.

24) Why wouldn't the Association sell the units individually as a whole ownership condo, so those of us who wish to do so can purchase them?

Anything is possible at this juncture, and steps are considered for such possible options. All options remain under study as long as the time and expense to accomplish is off-set by a positive outcome which outweighs all other possible outcomes. Once the ballots are returned, and we know how many owners would like to participate, more in-depth planning can occur. Considerations are provided to the Board as they appear appropriately viable to discuss.

As other questions occur, they will be addressed and posted here.